

American Horse Trials Foundation, Inc.

ELIGIBILITY, FUNDRAISING & COMPETITION GRANT

GUIDELINES

One of the purposes for which the American Horse Trials Foundation, Inc. is established is to provide funds in the form of Competition Grants to qualified active riders. Grant eligibility shall be available without regard to race, sex, age, religion or national origin to bona fide international or national amateurs who satisfy the eligibility criteria set forth below.

I. GRANT ELIGIBILITY CRITERIA

Before he or she may apply for a competition grant, a Rider must establish his/her basic eligibility for a grant. Amateur athletes (within the meaning of the Internal Revenue Code and the Regulations of the International Olympic Committee), who have finished in the upper half of a National Eventing Competition (as defined by the US Equestrian Federation and the United States Eventing Association), within three (3) years of the date of application may apply under either of the following eligibility criteria:

A. **Achievement Eligibility.** Riders who have placed within the top three (3) places at the Junior/Young Rider Championship within three years of application; or have been placed on the U.S. Equestrian Eventing Training List, within three (3) years of the date of application may establish eligibility by certifying this to the AHTF.

B. **Eligibility By Recommendation.** Individuals who do not satisfy these specific criteria may establish grant eligibility by submitting a statement of eligibility as set out below, giving special emphasis to their background, competitive goals, and the reasons, if any, for not meeting Achievement Eligibility. However, a minimum-criteria that must be satisfied for grant eligibility is completion of at least one CCI**-L or CCI**-S or better. The minimum requirement for young riders is that they have completed a horse trial at the preliminary level or better. Of particular interest is a demonstration of commitment to national or international level competition. A demonstration of eligibility made under this paragraph must be accompanied by at least two letters of recommendation from established coaches or eligible Riders describing the skill, potential and level of commitment of the applicant.

C. In addition to the above, the Executive Director, in consultation with the Board of Trustees and Foundation Counsel, shall have the discretion to extend grant eligibility to qualified amateur athletes who have demonstrated exceptional achievement at the national or international level in one of the equestrian disciplines encompassed by the Olympic Eventing competition within one (1) year of the date of application. Exceptional achievement shall mean a high national ranking by the national governing body of such equestrian discipline, generally equivalent to the U.S. Equestrian Eventing Training List

Riders will be evaluated without regard to race, sex, religion, age, physical or mental health or national origin.

II. DEMONSTRATION OF ELIGIBILITY

A Rider shall demonstrate grant eligibility by submitting to the AHTF materials demonstrating that the Rider satisfies the basic eligibility criteria, state in detail the Rider's qualifications and describe his/her projected competitive schedule towards the specific goal for which the eligibility is to be established, *e.g.*, the 2020 Olympics. Letters of recommendation are invited but are not required except when made under Article I, Paragraph A.

Eligibility shall be valid only for a finite period of time, and in no event shall this period extend past the final date of the specific competitive goal outlined in the initial demonstration.

The AHTF does not have the resources to serve an unlimited number of Riders and, therefore, may need to limit the total number of Riders eligible for grants. In such event, the Eligibility Committee will select among applicants on the grounds of national ranking, need for funds and other relevant criteria.

III. ADMINISTRATION OF DONATIONS

Generally, donations will be accepted by the AHTF as they are received. Acknowledgment letters will be sent to all donors who make contributions in excess of Fifty Dollars. A percentage of each donation (currently 5.5%) is deducted and allocated to the General Fund of the Foundation to offset operating expenses of the Foundation. The balance is placed in an unallocated restricted account from which grants are made for Rider support.

Due to Internal Revenue Service restrictions, certain limitations are made as to who can make donations. For example, the AHTF cannot accept a donation from an Eligible Rider. For obvious reasons, one cannot deduct as a donation, gifts potentially benefiting oneself. Similarly, donations may not be "earmarked" for the benefit of a

particular Rider. That is, donations must be made without qualification to the AHTF. The selection of the individual recipients of funds donated to the AHTF will be made by the Grant Committee and/or the Board of Trustees.

To insure the continued status of the AHTF as a public foundation and preservation of the tax advantages essential to the effectiveness of the AHTF, it may be necessary at times to restrict the acceptance of large donations (either individual or aggregated). If at some point during the calendar year the Executive Director determines that AHTF is in danger of being classified as a "private foundation" for IRS purposes, the Executive Director may invoke the "Restrictive Acceptance Procedures" described below.

The Foundation accepts donations of capital items; however, it expressly reserves the right to decline acceptance of any proffered donation of capital items. No donation of capital items will be accepted unless the Foundation receives a corresponding cash contribution equal to 5.5% of the donated value of the capital items.

Restrictive Acceptance Procedures: When the Executive Director (with notification of the Board of Directors) determines that there is danger of losing public foundation status, "disqualifying donations", i.e., donations from related parties or donations in excess of the threshold disqualifying amount (\$5,000 or 2% of total income, whichever is greater) will not be accepted. Rather, all such donations will be held by AHTF, to be accepted and credited only when the Executive Director determines that a sufficient amount of qualifying contributions have been received by the AHTF.

In addition to notification that these Restrictive Acceptance Procedures are in effect, the Executive Director will notify all donors that their donation has been received but has not yet been accepted.

If the AHTF is not in a position to accept disqualified donations, checks constituting disqualified donations may be held until the AHTF is in a position to accept them. When more than one gift is being held, priority for acceptance will be given to new donors.

IV. GRANT APPLICATION

Eligible Riders may apply at any time for a competition grant to offset their competitive expenses. A grant application shall set forth at a minimum a) the period for which the grant is requested; b) the applicant's anticipated competitive schedule; c) how the anticipated activities of the grant period contribute to the Rider's membership goal (e.g. World Championship); d) estimated budget for the grant period; e) the Rider's financial and competitive need for the requested grant; and, f) a specific grant request. In Olympic and World Championship years priority consideration will be given to Riders who are "shortlisted" or who demonstrate a high probability of being shortlisted.

V. GRANT PROCEDURE

The AHTF Grant Committee will consider all Grant Applications from Eligible Riders without regard to race, sex, age, religion, or national origin of the Rider. Grants will be made from the unallocated restricted account of the AHTF. The Grant Committee meets monthly to consider applications. The grant criteria are: the likelihood of competitive success of the Rider, the financial need of the Rider and the other sources of funding available to the Rider.

When a grant is made it shall be in the form of funds available to a Rider for reimbursement of competitive expenses. For so long as the Rider remains in good standing these funds will be available for reimbursement of competition and training expenses and the purchase of capital assets as described in Article VII. Should the Rider no longer be eligible and in good standing with the AHTF for any reason, then unused grant funds shall be returned to the General Fund of the AHTF.

VI. DISBURSEMENT OF FUNDS

Competition Grants may be made on the basis of anticipated revenues, not funds on hand. Funds will be disbursed to Riders on a "first come first serve" basis, up to the grant amount. Disbursements will be made only in the form of expense reimbursement. Requests for reimbursement shall be made as follows:

1. The competitor shall submit a Grant Disbursement Request form supported by original invoices before claims for reimbursement can be honored.

2. As an alternative to submitting records of actual costs, a daily food allowance of Fifty Dollars (\$50.00) will be allowed for each day away from home. Travel by personal vehicle will be reimbursed at the rate currently allowed by the Internal Revenue Service for business use of a personal vehicle. If towing horses travel by personal vehicle will be reimbursed at double the rate currently allowed by the Internal Revenue Service for business use of a personal vehicle.

3. Grant funds will be advanced only to accommodate difficult or unusual circumstances. Detailed expense reports including original invoices, must be submitted to the AHTF, within thirty (30) days for final settlement.

4. Expenses for which Grant funds generally are available as a matter of course include the following:

- a. transportation, meals & lodging - Rider
- b. transportation, meals & lodging - groom
- c. transportation - horses

- d. hay & feed
- e. stabling
- f. entry fees
- g. veterinary and dental services
- h. coaching
- i. non-capital equipment required for competition

VII. OBLIGATIONS OF GRANT RECIPIENTS

Each Rider who has received a grant from the AHTF shall adhere to the following:

1. The Rider shall maintain his/her amateur standing. The Rider shall immediately notify the AHTF in writing in the event that he/she no longer is an amateur athlete.
2. Each Rider who in any calendar year has received a Competition Grant from the AHTF shall submit a completed Rider Activity Report.
3. Eligible Riders may be requested to participate in the fundraising activities of the AHTF. This participation may include public appearances, endorsements for the AHTF by the Rider, providing mailing lists, and related fundraising activities.

VIII. TAXABLE NATURE OF AHTF GRANTS

The AHTF has taken the position that Competition grants are reimbursement of expenses paid by the Rider on behalf of the AHTF. It is for this reason that original receipts are required for reimbursement of expenses. Accordingly, it is our position that these grants are not normally taxable to the Rider. However, the AHTF has not applied for, nor has it received, a ruling from the IRS which would confirm this position, and it is possible that the IRS might rule differently. The AHTF makes no representation whatsoever regarding this tax treatment and each Rider is urged to consult his or her personal tax advisor concerning the taxability of AHTF competition grants in light of his or her individual tax situation.

IX. TERMINATION FOR CAUSE

The Board of Trustees, in the exercise of its fiduciary responsibility over the operations of the AHTF, shall at all times have the absolute power to terminate a Rider Eligibility or rescind a grant in the event that it determines that a Rider has violated the terms of these Guidelines, the Internal Revenue Service Code of 1986, eligibility criteria of the International or United States Olympic Committees, or any other applicable

statute or law. In the event that such violation is suspected, the following procedure shall apply:

1. The Executive Director shall notify the Rider in writing of the nature of the charges against him/her and that the eligibility may be terminated. The letter shall request a written response to the charges within ten (10) days of the receipt of the letter.

2. Not sooner than ten (10) days after the receipt of the written charges by the Rider, the Board of Trustees shall consider the charges and any response of the Rider which may excuse, justify or mitigate those charges.

3. After considering the charges and the responses thereto, the Board shall vote by secret ballot whether or not to terminate the eligibility. A majority affirmative vote of the Trustees voting shall be required to terminate a Rider's eligibility.

4. A Rider whose eligibility has been terminated for cause may reapply to reestablish grant eligibility only after a waiting period of one year following the date of termination.

X. EFFECT OF TERMINATION

When an Eligible Rider loses eligibility, whether for cause or by completion of a Rider's goal, any unused Grant funds shall be returned to the AHTF Competition Fund, and all capital equipment leases shall terminate. A Rider whose goal has been attained but anticipates a subsequent campaign may, upon appropriate showing, continue grant eligibility.